

California Strategic Sourcing Initiative (CSSI) Glossary

Term	Definition
<i>Accrued Savings</i>	Amount of incremental savings realized with each purchase of a good or service that has been sourced under a new contract; the actual accrual of savings occurs when the state issues a purchase order under the New Procurement Vehicle.
<i>Acquisition</i>	A process to obtain goods/services, through purchase or lease, for the benefit of the state. The process begins with identification of a need and consists of three phases: Acquisition Planning, Acquisition Phase, and Post Award Administration. See <i>Contracting, Purchase, or Procurement</i> .
<i>Addressable Spend</i>	The fraction of total spend that is deemed to be sourceable by the category team. Many considerations go into whether spend can be sourced including regulations, existing contracts, technical requirements, etc.
<i>Agency</i>	All branches of state government, excluding Local Government Agencies, a local government body or corporation, including the California State Universities (CSU) and University of California (UC) systems, K-12 schools and community colleges empowered to expend public funds. See <i>State Agency</i> .
<i>Agreement</i>	A legally binding obligation by whatever name known or in whatever format used (including purchase orders) between the state and another entity, public or private for the purchase of goods and/or services. See <i>Contract</i> .
<i>Alternative Protest Pilot Process (APPP)</i>	Protest process that has two major advantages over the traditional protest process. First, it reduces the number of protests due to more stringent requirements placed on bidders. Second, it reduces the protest period to 45 - 60 days.

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<i>Baseline Cost</i>	For the purpose of determining accrued savings, cost per unit incorporating all mutually-agreed total cost of ownership aspects of the item; baseline cost will be quantitatively assessed from historical cost data available from state procurement and accounts payable systems, most recent average cost per unit paid by the state, or current posted prices (e.g. catalog pricing with an applicable discounts or contract price per unit) as mutually approved by the state and the contractor.
<i>Baseline Period</i>	Historical period used to determine Baseline Cost for a Category of goods or services; usually two years, but may differ based on inherent qualities of goods or services within the Category (such as market volatility) as documented in the Category Workplan.
<i>Baseline Spend</i>	Estimate of total spending (cost times volume) for a particular Category of goods or services, usually determined during a specific historical period as documented in the Category Business Case. Current price paid by any State Agency for existing contracts.
<i>Benchmark Cost</i>	Cost per unit during the Benchmark Period under the New Procurement Vehicle, incorporating the total cost of ownership cost/factors determined for the Baseline Cost.
<i>Benchmark Period</i>	Savings period inaugurated with the signing of each New Procurement Vehicle and extending through the lesser of the New Procurement Vehicle duration or the savings period specified in the California Strategic Sourcing Initiative (CSSI) contract.
<i>Benchmark Spend</i>	Total spending (cost times volume) achieved during the benchmark period (starting from the signing of the new source contract).

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<i>Best Alternative To a Negotiated Agreement (BATNA)</i>	Critical component of the negotiation strategy that spells out the best alternative in the event that an agreement is not reached for a particular negotiation element. For example, if a team doesn't achieve their targeted savings, their BATNA might be to negotiate with an alternate supplier.
<i>Best Price Evaluation (BPE)</i>	Sourcing strategy that typically entails unbundling prices down to a very granular level and then comparing those prices across suppliers or across agencies/departments within the state.
<i>Best Value</i>	A concept relating to requirements and contractor selection criteria or other factors for a particular transaction that is established by a state department to ensure that their business needs and goals are effectively met and that the state obtains the most value. See <i>Value Effective</i> for examples of Best Value Criteria.
<i>Bidder</i>	An individual, sole proprietorship, firm, partnership, corporation, or any other business venture that responds to a Request for Proposal (RFP), who submits, or has identified their intention to submit, a Proposal to the state in response to a RFP.
<i>Bidder's Conference</i>	A public meeting concerning a particular solicitation that is attended by potential bidders and/or other interested parties, and is held prior to the bid submission date.
<i>Buyer</i>	An individual with fiduciary responsibility authorized to act as an agent for the state to acquire goods and/or services. See <i>Contract Professional</i> .
<i>CAL-Buy</i>	The State of California's online procurement system which automates contracts, linking government buyers to thousands of products and helping streamline the purchasing process.

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<i>CAL-Card</i>	A payment mechanism (VISA payment card) that can be used in conjunction with a department's purchasing authority. It can have flexible spending limits up to \$25,000, and is issued in the name of the cardholder and is billed to the department.
<i>California Strategic Sourcing Initiative (CSSI)</i>	A method for reducing costs and continuing to expand the leveraged procurements established via a directive by the Governor of California.
<i>Category</i>	A set of related goods and services that can be segmented for strategic sourcing activities.
<i>Category Business Case</i>	For each Category identified by the California Strategic Sourcing Initiative (CSSI) Team as a candidate for strategic sourcing techniques, this document describes the Baseline Spend, Projected Spend, Projected Savings, Savings Method, and various other implementation factors so that the state can decide whether or not to pursue strategic sourcing.
<i>Category Workplan</i>	After the Category Business Case is accepted by the state, the Category Workplan documents the Category's product specification and other in-depth analysis necessary to create New Procurement Vehicles; includes final method for calculating savings and final Baseline Cost determination.
<i>Certified Disabled Veteran Business Enterprise (DVBE)</i>	A business that has been certified by the Office of Small Business and Disabled Veteran Business Enterprise (DVBE) Certification (OSDC), Department of General Services (DGS), as a DVBE as defined in GC 14838 and MVC 999.
<i>Certified Small Business</i>	A business that has been certified by the Office of Small Business and Disabled Veteran Business Enterprise (DVBE) Certification (OSDC), Department of General Services (DGS), as a small business as defined in GC 14837 and 2 CCR 1896.

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<i>Close of Business</i>	5:00 p.m., Pacific Standard Time.
<i>Concept</i>	A plan for initiating procurements to save costs in a Category. A General Concept is a high level plan; a Specific Concept is a detailed plan for a Category or a part of a Category.
<i>Consultant</i>	Entity that performs a service which is of an advisory nature providing a recommended course of action or personal expertise. The end product is basically a transmittal of information either written or verbal that is related to the governmental functions of state agency administration and management.
<i>Contract</i>	A legally binding obligation by whatever name known or in whatever format used (including purchase orders), between the state and another entity, public or private, for the purchase of goods and/or services. See <i>Agreement</i> .
<i>Contracting</i>	A process to obtain goods/services, through purchase or lease, for the benefit of the state. The process begins with identification of a need and consists of three phases: Acquisition Planning, Acquisition Phase, and Post Award Administration. See <i>Acquisition</i> , <i>Purchase</i> , or <i>Procurement</i> .
<i>Contract Manager</i>	A person designated by the responsible state agency or department to manage performance under a contract.
<i>Contractor</i>	The successful bidder who enters into a binding contract pursuant to a Request for Proposal (RFP) to provide the goods and/or services listed in the RFP.
<i>Contract Professional</i>	An individual with fiduciary responsibility authorized to act as an agent for the state to acquire goods and/or services. See <i>Buyer</i> .

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<i>Current Procurement Vehicle</i>	Contract in place prior to the New Procurement Vehicle issued as part of the California Strategic Sourcing Initiative (CSSI). See <i>Existing Procurement Vehicle</i> .
<i>Deliverables</i>	Contracted goods, services, other items (e.g. reports), or results a supplier agrees to produce/provide in performance of a contract.
<i>Desirable</i>	The terms "may," "can," "should," "preferably," or "prefers" identify a desirable or discretionary item or factor (as opposed to "mandatory.")
<i>eAuction</i>	A strategic sourcing tool that enables the state to solicit online bids for the lowest total cost of a particular product or service from invited bidders.
<i>eRFP</i>	An electronic type of solicitation document used in a formal competitive process for non-information technology (non-IT) services and IT goods/services and sometimes for informal acquisitions of IT goods/services.
<i>eTool</i>	A strategic sourcing tool that enables the state to gather specific qualitative and quantitative information from invited bidders, and generally manage the supplier selection process online.
<i>Evaluation Committee</i>	The persons appointed to perform the evaluation of Bidder Proposals for a procurement. See <i>Evaluation Team</i> .
<i>Evaluation Team</i>	The persons appointed to perform the evaluation of Bidder Proposals for a procurement. See <i>Evaluation Committee</i> .
<i>Evaluation and Selection Report</i>	A written document prepared by the Procurement Official to describe the acquisition with emphasis on the contractor selection process, price analysis and other pertinent facts and decisions supporting the transaction (e.g. a contract award or change).

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<i>Existing Procurement Vehicle</i>	Contract in place prior to the New Procurement Vehicle issued as part of the California Strategic Sourcing Initiative (CSSI). See <i>Current Procurement Vehicle</i> .
<i>Gemstone</i>	Framework that shows the six main sourcing strategies (levers) that category teams can employ to achieve their objectives.
<i>Joint Process Improvement (JPI)</i>	Sourcing strategy that entails identifying and evaluating opportunities to jointly improve supply-related processes with the supplier. For example, the state might support a supplier operations improvement initiative.
<i>Line Item Detail</i>	Actual or extrapolated basic unit of cost for a good or service (e.g., a pallet of copy paper, a vehicle, an hour of a senior subject matter expert) at a sufficient level of detail to match historical (baseline) costs with new (benchmark) costs, documented in the Category Plan.
<i>Local Agency</i>	A city, county, city and county, district, or other local governmental body or corporation empowered to expend public funds. This includes school districts, water districts, mosquito abatement districts, transportation authorities, and many other agencies.
<i>Mandatory</i>	The terms "must," "shall," "will," "is required," or "are required" identify a mandatory item or factor (as opposed to "desirable"). Failure to meet a mandatory item or factor may result in the rejection of the Bidder's Proposal.
<i>Negative Savings</i>	Situation whereby the state is paying more per unit for a comparable good or service during the Benchmark Period than during the Baseline Period; does not impact Accrued Savings (treated as zero savings).

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<i>New Procurement Vehicle</i>	Document that specifies the terms and conditions agreed upon between the state and the supplier as part of the California Strategic Sourcing Initiative (CSSI); typically a new contract or modifications to an existing contract; means by which savings will be realized by the state via the CSSI. A Contract that is established as a result of implementing Phase II of the Agreement.
<i>Original Equipment Manufacturer (OEM)</i>	A producer that provides a product to its customers, who proceed to modify or bundle it before distributing it to their customers. For example, auto manufacturers are OEMs who provide their product to customers through a dealer network.
<i>Participation Programs</i>	Programs with legislatively set goals for achievement of participation as a result of the acquisition process. Agencies seek to meet an overall contracting goal for participation of certain types of businesses/products.
<i>Passive Mandatory</i>	A method, as allowed by law, used by the state to terminate alternative procurement methods, thus providing state buyers with fewer procurement vehicle choices and in some instances, a single choice.
<i>Preference Programs</i>	Legislatively mandated programs that promote business within the state by providing an evaluation advantage to qualifying bidders.
<i>Prime Contractor</i>	The primary party who has contracted with the state for completion of the contract.
<i>Procurement</i>	A process to obtain goods/services, through purchase or lease, for the benefit of the state. The process begins with identification of a need and consists of three phases: Acquisition Planning, Acquisition Phase, and Post Award Administration. See <i>Acquisition</i> , <i>Contracting</i> , or <i>Purchase</i> .

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<i>Procurement Official</i>	The person or designee authorized by the Deputy Director of the Department of General Services (DGS), Procurement Division to manage or administer a procurement.
<i>Product Specification Improvement (PSI)</i>	Sourcing strategy that entails critically evaluating product and/or process specifications and simplifying them to reduce the impact they might have on increasing pricing.
<i>Project</i>	A particular plan or intention with set beginning and end dates.
<i>Projected Savings</i>	Total savings (per unit savings times volume) anticipated for a category of goods or services; projections are initially developed for the Category Business Case, refined in the Category Workplan, and finalized after negotiations are complete for the New Procurement Vehicle; final projections can be used for budget estimation.
<i>Projected Spend</i>	Total spending (cost times volume) for a particular Category of goods or services, anticipated during the Benchmark Period, based on estimated Baseline Spend.
<i>Proposal</i>	An offer made in response to a Request for Proposal (RFP).
<i>Purchase</i>	A process to obtain goods/services, through purchase or lease, for the benefit of the state. The process begins with identification of a need and consists of three phases: Acquisition Planning, Acquisition Phase, and Post Award Administration. See <i>Acquisition</i> , <i>Contracting</i> , or <i>Procurement</i> .
<i>Purchase Order (PO)</i>	Standard 65 (Std 65) and other related documents.

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<i>Relationship Restructuring (RR)</i>	Sourcing strategy that involves restructuring supply chain relationships with the goal of reducing overall cost or increasing service levels. For example, rather than buying from a small distributor, the state might strike a better agreement directly with the manufacturer, and then allow the distributor to buy at those prices, add their margin and then sell to the state at a lower overall price.
<i>Request for Information (RFI)</i>	A document used to obtain market pricing, or other market information or capabilities during the Acquisition Planning phase.
<i>Request for Proposal (RFP)</i>	A type of solicitation document used in a formal competitive process for non-information technology (non-IT) services and IT goods/services and sometimes for informal acquisitions of IT goods/services.

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<i>Responsible Bidder</i>	<p>A bidder who is fully capable of performing the contract. Considerations include a contractor deemed to satisfactorily demonstrate some or all of the following, pertinent to the specific transaction:</p> <ol style="list-style-type: none">1. Adequate financial resources or the ability to obtain the resources required to perform the contract;2. An adequate cost accounting system;3. The capability to comply with the required or proposed delivery or performance schedule considering all existing commitments;4. A satisfactory record of performance;5. A satisfactory record of integrity;6. Qualified and eligible to receive an award under all applicable laws and regulations;7. Necessary organization, experience, operational controls and technical skills (or the ability to obtain them);8. Necessary production and technical equipment and facilities;9. The ability to satisfy special capability standards when required by a unique procurement or class of procurements; and10. An adequate quality assurance program.
<i>Responsive Bidder</i>	<p>A bidder whose Request for Proposal (RFP) response is compliant with the RFP requirements and indicates performance without material deviation from the terms and conditions of the proposed contract.</p>
<i>Savings</i>	<p>Baseline Cost minus Benchmark Cost; amount realized by the state by procuring goods and services at a lower cost through strategic sourcing methods.</p>

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<i>Savings Method</i>	Auditable process for calculating accrued savings for a Category included in the California Strategic Sourcing Initiative (CSSI); tailored approach of determining Baseline Cost (and Benchmark Cost) from Savings Methodology, documented in the Business Case and implemented in the Category Workplan.
<i>Savings Methodology</i>	An auditable set of approaches to determining unit costs for a Category of goods and services.
<i>Sourceable Spend</i>	Amount of estimated Baseline Spend which is actually able to be influenced by strategic sourcing activities.
<i>Sourcing Group (SG)</i>	Group of purchased items that is likely to be sourced as a group from the same set of suppliers using the same or similar sourcing approaches/strategies.
<i>Sourcing Process</i>	Refers to the entire 7-step sourcing process, from Category profiling (Step 1) to benchmarking the supply market (Step 7).
<i>Stakeholders</i>	Individuals and organizations that are involved in, or may be affected by, project activities.
<i>Standard Query Language (SQL)</i>	The language used to program and manipulate databases.
<i>State</i>	The State of California.
<i>State Administrative Fee</i>	A fee that the state charges each department for use of most purchasing authority types (non-information technology (non-IT)/IT) and categories (competitive bids, Leveraged Procurement Agreements (LPA), non-competitive bids, etc.) based on the value of each purchase document.

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<i>State Agency</i>	All branches of state government, excluding Local Government Agencies, a local government body or corporation, including the California State Universities (CSU) and University of California (UC) systems, K-12 schools and community colleges empowered to expend public funds. See <i>Agency</i> .
<i>Strategic Sourcing</i>	An approach where the buyer (California) analyzes what it's buying, what the market conditions are and who can supply those goods and services. Then the buyer uses that information - plus innovative contracting techniques - to find the best values available in the marketplace.
<i>Strategic Sourcing Contractor</i>	The successful Bidder who enters into a binding Contract pursuant to a Request for Proposal (RFP) to provide Strategic Sourcing consulting services.
<i>Subcontractor</i>	An individual or business contracting to perform part, or all of another's contract.
<i>Subject Matter Expert (SME)</i>	A person who has a recognized level of competency on a specific subject matter as a result of their education, work experience, and/or professional certification.
<i>Supplier</i>	An individual, sole proprietorship, firm, partnership, corporation, or any other business venture who provides goods and/or services to the state. See <i>Vendor</i> .
<i>Supply Base Expansion (SBE)</i>	Sourcing strategy that involves expanding the potential supply base beyond suppliers from whom the category is typically bought. New suppliers can be found in non-traditional geographies or industries.

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<i>Total Cost of Ownership (TCO)</i>	An accounting of all the relevant, quantifiable factors included in obtaining, using, maintaining and disposing of a good or service; for the purposes of the California Strategic Sourcing Initiative (CSSI), total costs of ownership must be quantifiable and traceable back to state procurement and accounts payable systems, or using a mutually-agreed to factor, applied to both the Baseline Cost and Benchmark Cost.
<i>Value Effective</i>	<p>An evaluation methodology for information technology acquisitions that considers best value criteria including, but not be limited to, the following:</p> <ol style="list-style-type: none">1. The operational cost that the state would incur if the bid or Proposal were accepted.2. Quality of the product or service, or its technical competency.3. Reliability of delivery and implementation schedules.4. The maximum facilitation of data exchange and systems integration.5. Warranties, guarantees, and return policy.6. Contractor financial stability.7. Consistency of the proposed solution with the state's planning documents and announced strategic program direction.8. Quality and effectiveness of business solution and approach.9. Industry and program experience.10. Prior record of contractor performance.11. Contractor expertise with engagements of similar scope and complexity.12. Extent and quality of the proposed participation and acceptance by all user groups.13. Proven development methodologies and tools.14. Innovative use of current technologies and quality results. <p>See <i>Best Value</i>.</p>

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<i>Vendor</i>	An individual, sole proprietorship, firm, partnership, corporation, or any other business venture who provides goods and/or services to the state. See <i>Supplier</i> .
<i>Volume Concentration (VC)</i>	Sourcing strategy that involves concentrating spend with a fewer number of suppliers or a fewer number of product configurations. It also can involve concentrating in volume across different subcategories that are typically bought separately.